Supreme Court, U.S.
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No.

IN THE

Supreme Court of the United States

EILEEN CHEEVER; ANTHONY COSTANZO; MARY ANN DIEBOLD; ROSEMARY GIBSON; EDITH NEIL; MARILYN NUSS; SUSAN OIKELMUS,
PETITIONERS

v.

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, as the Administrator of the John Hancock Mutual Life Insurance Company Pension Plan,
RESPONDENT

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIRST CIRCUIT

PETITION FOR WRIT OF CERTIORARI

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QUESTION PRESENTED

To ensure that ERISA plan administrators do not deny promised benefits by interposing strained readings of technical plan language, Congress requires plan sponsors to prepare and distribute a Summary Plan Description ("SPD") that provides "the essential information about the plan" and that is "written in a manner calculated to be understood by the average plan participant." The SPD serves as an important legal check on plan administrators, because any denial of benefits will be judicially measured against the plain language of the relevant plan documents – including the applicable SPD. In this way, SPDs promote ERISA's general purpose "to protect . . . the interests of participants in employee benefit plans," and in enforcing ERISA's Anti-Cutback Statute, which prohibits the denial of accrued pension benefits.

The First Circuit has now vitiated this important check on benefit denials and cutbacks. Describing the applicable SPD and other record evidence as "extraneous documents . . . irrelevant to our determination" of the meaning of the plan, the First Circuit held that the District Court committed legal error by considering the applicable SPD in reviewing an employer's refusal to pay pension benefits that had accrued under the plain terms of the SPD. Legally, this decision contradicts the Anti-Cutback Statute and creates a bare conflict with the other Circuits, which routinely consider the SPDs during judicial review. Practically, the decision invites cash-strapped, or profit-maximizing, plan sponsors to revisit technical plan documents and come up with new interpretations to rescind benefits promised in the SPDs (and elsewhere), thus arming these sponsors with a potent weapon in what the Third Circuit has called "corporate America's recent effort to curb costs by . . . scaling back the benefits provided under pension plans."

Thus, the question is presented: Did the First Circuit contravene the Anti-Cutback Statute (29 U.S.C. 1054(g)) and other provisions of ERISA by holding – contrary to rulings in every other Circuit – that the District Court committed legal error by considering the plain language of the applicable Summary Plan Description in judicially reviewing a plan administrator's decision to deny pension benefits?

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OPINIONS BELOW

The opinion of the Court of Appeals for the First Circuit (Pet. App. 1a-18a) is recorded at 400 F.3d 83 (1st Cir. 2005). The Order of the First Circuit denying the petition for rehearing and suggestion for rehearing *en banc* (Pet. App. 41a-42a) is unreported. The Memorandum and Order on Cross-Motions for Summary Judgment rendered by the District Court for the District of Massachusetts (Pet. App. 19a-40a) is unreported.

JURISDICTION

The District Court exercised subject matter jurisdiction pursuant to 28 U.S.C. § 1331, as this case is based upon one or more causes of action arising under the laws of the United States, including Section 502(a) of the Employment Retirement Income Security Act of 1974 ("ERISA"), as amended, 29 U.S.C. § 1132(a). The jurisdiction of this Court is invoked pursuant to 28 U.S.C. § 1254(1).

RELEVANT STATUTORY PROVISIONS

The Appendix (Pet. App. 48a-52a) reproduces the texts of 29 U.S.C. § 1054(g) (the "accrued benefit of a participant under a plan may not be decreased by . . . eliminating or reducing an early retirement benefit"), 29 U.S.C. §§ 1022 and 1024(b) (requiring issuance of SPDs "written in a manner calculated to be understood by the average plan participant," including as concerns anything that might result in "denial or loss of benefits"), and 29 U.S.C. § 1132(a)(1)(B) (authorizing claims for pension benefits wrongly withheld).

STATEMENT OF THE CASE

To ensure that ERISA plan administrators do not deny promised benefits by interposing strained readings of technical plan language, Congress requires plan sponsors to prepare and distribute a Summary Plan Description ("SPD") that provides "the essential information about the plan" and that is "written in a manner calculated to be understood by the average plan participant." 29 U.S.C. § 1022(a)(1). The SPD has served as an important legal check on plan administrators because any denial of benefits will be judicially measured against the plain language of the relevant plan documents – including the applicable SPD. In this way, SPDs play a crucial role in promoting ERISA's general purpose "to protect . . . the interests of participants in employee benefit plans," 29 U.S.C. § 1001(b), and in enforcing ERISA's Anti-Cutback Statute, 29 U.S.C. § 1054(g), which prohibits the denial of accrued pension benefits.

The First Circuit has now vitiated this important check on benefit denials and cutbacks. Describing the applicable SPD and other record evidence as "extraneous documents . . . irrelevant to our determination" of the meaning of the plan, the First Circuit held that the District Court erred by considering the applicable SPD in reviewing an employer's refusal to pay pension benefits that had accrued under the plain terms of the SPD. Pet App. 10a, 13a-16a. Legally, this decision contradicts the Anti-Cutback Statute and creates a bare conflict with the other Circuits, which routinely consider the SPDs during judicial review. Practically, the decision invites cash-strapped, or profit-maximizing, plan sponsors to

revisit plan documents and craft technical readings to rescind promised benefits, thus arming these sponsors with a potent weapon in what the Third Circuit has called "corporate America's recent effort to curb costs by . . . scaling back the benefits provided under pension plans." *Depenrock v. Cigna Corp.*, 389 F.3d 78, 79 (3d Cir. 2004).

A. Procedural Background

On October 11, 1994, Respondent John Hancock Life Insurance Company ("Hancock") amended its Pension Plan to, *inter alia*, allow employees with 25 years of service at Hancock to retire early with an unreduced pension at age 56, rather than 65. Pet. App. 57a-58a. Hancock subsequently denied this enhanced early retirement benefit to Petitioners despite their 25 years of service, because they would not also reach age 50 when their employment would involuntarily terminate in March 1997. Hancock based its denial upon a post-claim interpretation of a single technical plan document that had not been distributed to Petitioners.

On September 17, 1999, Petitioners commenced this case in United States District Court for the District of Massachusetts. On March 30, 2001, Petitioners filed a First Amended Complaint stating the following three claims: (1) Count I – Benefits Wrongly Withheld, ERISA § 502(a)(1)(B), 29 U.S.C. § 1132(a)(1)(B); (2) Count II – Breach of Fiduciary Duty, ERISA § 502(a)(3), 29 U.S.C. § 1132(a)(3); and (3) Count 3 – Estoppel, ERISA common law.